

PRESS RELEASE

Tuesday, 13th October 2020

Budget 2021 measures a welcome and bold step to help stabilise Ireland's SME sector

[SME Recovery Ireland](#) has today (13.10.20) broadly welcomed Budget 2021 as a big step in to help recover and sustain Ireland's decimated SME sector. Reacting to the €17.75 billion Budget package, the group is particularly encouraged to see SME focused supports which it had called for in the budget including:

- A €3.4 billion Recovery Fund to stimulate increased domestic demand and employment.
- A new Covid Restrictions Support Scheme (CRSS) which will pay up to €5,000 a week to businesses forced to close temporarily because of Level 3 Covid19 restrictions or higher from today - SMERI had advocated for this in its national Small Business Recovery Plan.
- An extension of the tax warehousing scheme to include repayments of Temporary Wage Subsidy Scheme funds.
- The reduction in VAT for the hospitality sector to 9 per cent.
- The extension of the Emergency Wage Subsidy Scheme (EWSS) to March 2021 and a commitment to introduce a similar type of scheme to run from March 2021.
- The extension of the Credit Guarantee Scheme.

Commenting, Chair of SME Recovery Ireland, John Moran said: "Today's Budget is a welcome step in providing greater clarity and certainty to Ireland's small business community. It is assuring to see Government commit to such a high level of expenditure to ensure economic stability during what looks to be a difficult year ahead and make use of the low interest rates available to Ireland for borrowing. Although much of the detail is yet to be announced we welcome the steps taken today.

"We are confident that Government is listening to the concerns and asks of Ireland's small business owners. SME Recovery Ireland called for the introduction of a recovery fund and a compensation scheme in our National Small Business Recovery Plan launched back in May and it is assuring to see elements of these proposals echoed in today's Budget. The introduction of the Covid Restrictions Support Scheme is a particularly welcome measure and replicates the Danish style fixed cost compensations scheme we have been highlighting to Government. We also recommended that this should be administered via Revenue and the government has taken this on."

Mr Moran added: "Through our involvement with the SME Growth Taskforce, we are committed to working with Government to establish the appropriate measures required to stimulate the SME sector as part of the forth coming National Economic Plan. While the details of the €3.6 billion Recovery Plan are yet to be set out, we will be pushing for a significant proportion of this to be directed towards the SME sector, the country's largest employer.

"We also recognise that there a significant emphasises on education, training and upskilling in today's announcement and we see this as an excellent opportunity to introduce new business literacy support programmes to help build financial resilience in the SME sector. This is something that we have been putting forward to Government for consideration."

For further information on SME Recovery Ireland proposals, visit: www.smerecovery.ie.

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Media contact:

David O'Donnell, Tel: 086-1081139 / 01-5880866 / david.odonnell@instinctif.com.

Notes to editors:

- Chair of SME Recovery Ireland, John Moran and Co-ordinator of SME Recovery Ireland, Derek Butler are available for interview upon request.
- Small business cases studies are available upon request.
- Follow SME Recovery Ireland on social media:
 - Twitter: [@SMERecoveryIrl](https://twitter.com/SMERecoveryIrl)

About SME Recovery Ireland

SME Recovery Ireland is a platform representing Ireland's small and medium business sector to ensure that policy response to Covid-19 is designed to succeed for SMEs. The small business sector has and will continue to be disproportionately affected by the Covid-19 crisis. Small businesses provide most employment in Ireland and are critical to our social fabric. Small businesses were under-capitalised before the crisis and so lack the financial resilience to survive the force majeure crisis they are facing. Every small business owner is in need of hope and a Government plan to help them restart their business.